

Exhibit No. _____

Cross Examination Exhibit

Christian M. Dippon

Embarq Responses to ATT DR-61, 69, 73, & 76 (5-20-09)

Docket No. UT-081393
United's Response to AT&T Data Request No. 61
Date 5/20/2009
Preparer: Christian Dippon

AT&T 3-61 Mr. Dippon states at page 13 of his Responsive Testimony that public policy goals cannot be met without access charges.

- (a) Are the public policy goals to which Mr. Dippon refers (1) to promote ubiquitous service and (2) to ensure "affordable" local service?
- (b) What witnesses in this proceeding does Mr. Dippon claim are proposing no access changes for Embarq in Washington?
- (c) Explain how AT&T's proposal to have Embarq's intrastate switched access rates in Washington mirror its interstate switched access rates prices intrastate switched access rates below economic cost.
- (d) Define "high-cost customers" as used by Mr. Dippon with respect to Embarq's service area in Washington.
- (e) Define "low-density rural areas" as used by Mr. Dippon with respect to Embarq's service area in Washington.
- (f) Provide all documents and analyses that estimate Embarq's incremental cost to meet its carrier of last resort obligations in Washington.

OBJECTION:

United objects to subpart (c) of this request on the grounds that vague and ambiguous. Notwithstanding, but without waiving, any objection United provides the following response.

RESPONSE:

- (a) Yes.
- (b) Mr. Dippon is unable to provide an answer to this question, as posed. It is unclear what is meant by "access changes" and how this question relates to Mr. Dippon's statement on page 13.
- (c) As Mr. Dippon explained in his responsive testimony, interstate switched access rates go hand-in-hand with the federal universal service fund. AT&T's proposal calls for reducing intrastate switched access rates to interstate levels *without* implementing a state-specific universal service fund. Hence, AT&T's proposal would not allow United to recover the cost of the regulatory burden – hence, in some areas, forcing it to offer its services below cost.
- (d) Customers living in areas where the cost of providing local exchange service exceeds the regulated revenues received.

- (e) See United's response to AT&T 3-55(a).
- (f) See responsive testimony of Henry J. Roth. Mr. Dippon has not conducted any additional analyses in this respect, as none are needed. Mandating companies to serve certain customers and areas that they would not do so otherwise imposes a regulatory burden. This follows as a matter of simple economics.

Docket No. UT-081393
United's Response to AT&T Data Request No. 69
Date 5/20/2009
Preparer: Christian Dippon

AT&T 3-69 Mr. Dippon at page 22 of his Responsive Testimony indicates that one of the commitments to be honored at the time of establishing the access charge regime was "to serve residential customers at inefficiently low, flat monthly charges."

- (a) Identify each wire center for United in which residential customers are currently charged at inefficiently low, flat monthly charges.
- (b) For each wire center identified in response to part (a), list the specific services and corresponding rates having inefficiently low, flat monthly charges.
- (c) Provide the economic cost of the services identified in part (b) and any supporting documentation. If available, provide the economic cost at the wire center level associated with wire centers identified in part (a):
- (d) Identify each United wire center in which customers are currently charged at inefficiently low rates.
- (e) For each wire center identified in response to part (d), list the specific services and corresponding rates having inefficiently low charges that were not provided in response to part (b).
- (f) Provide the economic cost of the services identified in part (e) and any supporting documentation. If available, provide the economic cost at the wire center level associated with wire centers identified in part (d).

OBJECTION:

United objects to this request on the grounds that it is vague, ambiguous, overly broad, and unduly burdensome. The request mischaracterizes the testimony and assumes facts not contained therein. United also objects on the grounds that the information sought is not relevant, and not likely to lead to the discovery admissible information. Notwithstanding, but without waiving, any objection United provides the following response.

RESPONSE:

- (a) Mr. Dippon's reference is to the regulators' rationale for subsidizing the provision of local exchange service. It is not to any particular wire center. Notwithstanding, as all residential basic local exchange service rates are regulated and are offered a flat monthly charges, this list would likely include all wire centers.
- (b) See United's response to AT&T 3-69 (a).

Docket No. UT-081393
United's Response to AT&T Data Request No. 73
Date 5/20/2009
Preparer: Christian Dippon

AT&T 3-73 Mr. Dippon at page 74 of his Responsive Testimony states that he "tested whether higher switched access rates were associated with lower levels of toll usage as measured by the levels of switched access minutes."

- (a) Please confirm that Mr. Dippon used United's sold switched access minutes purchased by IXC's as a proxy for billed toll minutes IXC's sold to their retail customers. If this interpretation mischaracterizes the proxy used by Mr. Dippon, provide a clear explanation of the proxy.
- (b) If Mr. Dippon can confirm the interpretation made in part (a), explain if Embarq has identified switched access minutes by IXC and if IXC-specific access minutes were pursued in Mr. Dippon's analysis.
- (c) If Mr. Dippon can confirm the interpretation made in part (a), explain any adjustment made to recognize the difference between access minutes as sold to IXC's and toll conversation minutes, which is what is purchased from IXC's by retail toll customers.
- (d) Please confirm whether or not any switched access minutes used in Mr. Dippon's analysis includes traffic associated with United's offering toll traffic either as a facility-based toll carrier or as a toll reseller. If traffic for United's toll services is included in the analysis, provide sufficient details so that this traffic could be removed.

RESPONSE:

- (a) Confirmed.
- (b) Embarq has not identified switched access minutes broken out by IXC, nor were IXC-specific access minutes pursued in Mr. Dippon's analysis.
- (c) Hold time is included in conversation minutes, but not in access minutes.
- (d) The switched access minutes used in Mr. Dippon's analysis did not include traffic for United's toll services.

Docket No. UT-081393
United's Response to AT&T Data Request No. 76
Date 5/20/2009
Preparer: Christian Dippon

AT&T 3-76 Mr. Dippon repeatedly states that one of the policy goals pursued by regulatory commissions has been generally to ensure "affordable" local services.

- (a) Provide Mr. Dippon's definition of "affordable" local services.
- (b) Provide all documents and analyses relied upon by Mr. Dippon to determine the affordability of Embarq's local services in Washington.
- (c) Provide all documents and analyses that show the affordability of Embarq's residential local services associated with the rates currently charged by Embarq in Washington.
- (d) Provide all documents and analyses that show the affordability of Embarq's residential local services associated with the rates currently charged by Embarq in Washington.
- (e) Provide all documents and analyses that show the affordability of Embarq's bundles and packages containing a residential access line associated with the rates currently charged by Embarq in Washington.

OBJECTION:

United objects to this request on the grounds that it is vague, ambiguous, overly broad, and unduly burdensome. The request mischaracterizes the testimony and assumes facts not contained therein. United also objects on the grounds that the information sought is not relevant, and not likely to lead to the discovery admissible information. Notwithstanding, but without waiving, any objection United provides the following response.

RESPONSE:

- (a) Mr. Dippon's definition of "affordable" is irrelevant in setting the regulated retail prices of local exchange service. Notwithstanding, Mr. Dippon defines "affordable" in the context of regulation as a good or service that all citizens can pay for.
- (b) Mr. Dippon's reference was to the rationale of the regulatory regime, not to any particular local service. Hence no documents are available, nor are any necessary.
- (c) See United's response to AT&T 3-76 (b).
- (d) See United's response to AT&T 3-76 (b).
- (e) See United's response to AT&T 3-76 (b).